



General Assembly

January Session, 2011

Raised Bill No. 903

LCO No. 2662

02662_____CE_

Referred to Committee on Commerce

Introduced by:

(CE)

AN ACT ENCOURAGING CONNECTICUT MANUFACTURING.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subdivision (37) of subsection (a) of section 12-407 of the
2 general statutes is repealed and the following is substituted in lieu
3 thereof (*Effective January 1, 2012*):

4 (37) "Services" for purposes of subdivision (2) of this subsection,
5 means:

6 (A) Computer and data processing services, including, but not
7 limited to, time, programming, code writing, modification of existing
8 programs, feasibility studies and installation and implementation of
9 software programs and systems even where such services are rendered
10 in connection with the development, creation or production of canned
11 or custom software or the license of custom software, and exclusive of
12 services rendered in connection with the creation, development
13 hosting or maintenance of all or part of a web site which is part of the
14 graphical, hypertext portion of the Internet, commonly referred to as
15 the World Wide Web;

16 (B) Credit information and reporting services;

17 (C) Services by employment agencies and agencies providing
18 personnel services, except for personnel services provided to any
19 industry included in sectors 31 to 33, inclusive, of the North American
20 Industry Classification System United States Manual, United States
21 Office of Management and Budget, 1997 edition;

22 (D) Private investigation, protection, patrol work, watchman and
23 armored car services, exclusive of (i) services of off-duty police officers
24 and off-duty firefighters, and (ii) coin and currency services provided
25 to a financial services company by or through another financial
26 services company. For purposes of this subparagraph, "financial
27 services company" has the same meaning as provided under
28 subparagraphs (A) to (H), inclusive, of subdivision (6) of subsection (a)
29 of section 12-218b;

30 (E) Painting and lettering services;

31 (F) Photographic studio services;

32 (G) Telephone answering services;

33 (H) Stenographic services;

34 (I) Services to industrial, commercial or income-producing real
35 property, including, but not limited to, such services as management,
36 electrical, plumbing, painting and carpentry and excluding any such
37 services rendered in the voluntary evaluation, prevention, treatment,
38 containment or removal of hazardous waste, as defined in section
39 22a-115, or other contaminants of air, water or soil, provided
40 income-producing property shall not include property used
41 exclusively for residential purposes in which the owner resides and
42 which contains no more than three dwelling units, or a housing facility
43 for low and moderate income families and persons owned or operated
44 by a nonprofit housing organization, as defined in subdivision (29) of
45 section 12-412;

46 (J) Business analysis, management, management consulting and
47 public relations services, excluding (i) any environmental consulting
48 services, (ii) any training services provided by an institution of higher
49 education licensed or accredited by the Board of Governors of Higher
50 Education pursuant to section 10a-34, and (iii) on and after January 1,
51 1994, any business analysis, management, management consulting and
52 public relations services when such services are rendered in connection
53 with an aircraft leased or owned by a certificated air carrier or in
54 connection with an aircraft which has a maximum certificated take-off
55 weight of six thousand pounds or more;

56 (K) Services providing "piped-in" music to business or professional
57 establishments;

58 (L) Flight instruction and chartering services by a certificated air
59 carrier on an aircraft, the use of which for such purposes, but for the
60 provisions of subdivision (4) of section 12-410 and subdivision (12) of
61 section 12-411, would be deemed a retail sale and a taxable storage or
62 use, respectively, of such aircraft by such carrier;

63 (M) Motor vehicle repair services, including any type of repair,
64 painting or replacement related to the body or any of the operating
65 parts of a motor vehicle;

66 (N) Motor vehicle parking, including the provision of space, other
67 than metered space, in a lot having thirty or more spaces, excluding (i)
68 space in a seasonal parking lot provided by a person who is exempt
69 from taxation under this chapter pursuant to subdivision (1), (5) or (8)
70 of section 12-412, (ii) space in a parking lot owned or leased under the
71 terms of a lease of not less than ten years' duration and operated by an
72 employer for the exclusive use of its employees, (iii) valet parking
73 provided at any airport, and (iv) space in municipally-operated
74 railroad parking facilities in municipalities located within an area of
75 the state designated as a severe nonattainment area for ozone under
76 the federal Clean Air Act or space in a railroad parking facility in a
77 municipality located within an area of the state designated as a severe

78 nonattainment area for ozone under the federal Clean Air Act owned
79 or operated by the state on or after April 1, 2000;

80 (O) Radio or television repair services;

81 (P) Furniture reupholstering and repair services;

82 (Q) Repair services to any electrical or electronic device, including,
83 but not limited to, equipment used for purposes of refrigeration or
84 air-conditioning;

85 (R) Lobbying or consulting services for purposes of representing the
86 interests of a client in relation to the functions of any governmental
87 entity or instrumentality;

88 (S) Services of the agent of any person in relation to the sale of any
89 item of tangible personal property for such person, exclusive of the
90 services of a consignee selling works of art, as defined in subsection (b)
91 of section 12-376c, or articles of clothing or footwear intended to be
92 worn on or about the human body other than (i) any special clothing
93 or footwear primarily designed for athletic activity or protective use
94 and which is not normally worn except when used for the athletic
95 activity or protective use for which it was designed, and (ii) jewelry,
96 handbags, luggage, umbrellas, wallets, watches and similar items
97 carried on or about the human body but not worn on the body in the
98 manner characteristic of clothing intended for exemption under
99 subdivision (47) of section 12-412, under consignment, exclusive of
100 services provided by an auctioneer;

101 (T) Locksmith services;

102 (U) Advertising or public relations services, including layout, art
103 direction, graphic design, mechanical preparation or production
104 supervision, not related to the development of media advertising or
105 cooperative direct mail advertising;

106 (V) Landscaping and horticulture services;

107 (W) Window cleaning services;

108 (X) Maintenance services;

109 (Y) Janitorial services;

110 (Z) Exterminating services;

111 (AA) Swimming pool cleaning and maintenance services;

112 (BB) Miscellaneous personal services included in industry group 729
113 in the Standard Industrial Classification Manual, United States Office
114 of Management and Budget, 1987 edition, or U.S. industry 532220,
115 812191, 812199 or 812990 in the North American Industrial
116 Classification System United States Manual, United States Office of
117 Management and Budget, 1997 edition, exclusive of (i) services
118 rendered by massage therapists licensed pursuant to chapter 384a, and
119 (ii) services rendered by an electrologist licensed pursuant to chapter
120 388;

121 (CC) Any repair or maintenance service to any item of tangible
122 personal property including any contract of warranty or service related
123 to any such item;

124 (DD) Business analysis, management or managing consulting
125 services rendered by a general partner, or an affiliate thereof, to a
126 limited partnership, provided (i) the general partner, or an affiliate
127 thereof, is compensated for the rendition of such services other than
128 through a distributive share of partnership profits or an annual
129 percentage of partnership capital or assets established in the limited
130 partnership's offering statement, and (ii) the general partner, or an
131 affiliate thereof, offers such services to others, including any other
132 partnership. As used in this subparagraph "an affiliate of a general
133 partner" means an entity which is directly or indirectly owned fifty per
134 cent or more in common with a general partner;

135 (EE) Notwithstanding the provisions of section 12-412, except

136 subdivision (87) of said section 12-412, patient care services, as defined
137 in subdivision (29) of this subsection by a hospital, except that "sale"
138 and "selling" does not include such patient care services for which
139 payment is received by the hospital during the period commencing
140 July 1, 2001, and ending June 30, 2003;

141 (FF) Health and athletic club services, exclusive of (i) any such
142 services provided without any additional charge which are included in
143 any dues or initiation fees paid to any such club, which dues or fees
144 are subject to tax under section 12-543, (ii) any such services provided
145 by a municipality or an organization that is described in Section 501(c)
146 of the Internal Revenue Code of 1986, or any subsequent
147 corresponding internal revenue code of the United States, as from time
148 to time amended, and (iii) yoga instruction provided at a yoga studio.

This act shall take effect as follows and shall amend the following sections:		
Section 1	January 1, 2012	12-407(a)(37)

Statement of Purpose:

To exempt services by temporary workers at manufacturing facilities from the sales tax.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]